



PRESS RELEASE

House Armed Services Committee

Floyd D. Spence, Chairman

FOR IMMEDIATE RELEASE

August 5, 1999

CONTACT: Maureen Cragin

Ryan Vaart

(202) 225-2539

HOUSE, SENATE REACH AGREEMENT ON ENERGY DEPARTMENT REORGANIZATION

The House and Senate conference committee on the National Defense Authorization Act for Fiscal Year 2000 (S. 1059) early this morning reached agreement on legislation to reorganize the Department of Energy (DOE) in order to streamline management and strengthen counterintelligence and security within the U.S. nuclear weapons complex. The legislation is in response to two recent investigations - one earlier this year by the Cox Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China and the other last month by the President's Foreign Intelligence Advisory Board (PFIAB) chaired by former Senator Warren Rudman. Both reports strongly criticized the DOE for lax security at its weapons laboratories which likely resulted in the loss of sensitive nuclear weapons secrets.

The reorganization legislation essentially implements the recommendations made by Senator Rudman and the PFIAB. The panel's report, which was tasked by President Clinton following the disclosure of security failures at the DOE labs, concluded that DOE's 20-year record of not correcting security weaknesses has compromised the nation's security. Citing layers of entrenched bureaucracy, management failures, poor accountability and enduring cultural resistance to change, the panel recommended the creation of either an independent agency or semi-autonomous agency within DOE to take responsibility for the operation of the nation's nuclear weapons production complex.

Marking the first major reorganization of the DOE since its creation two decades ago, the conference agreement focused on implementing the recommendations of the Rudman panel to create a semiautonomous agency - the National Nuclear Security Administration (NNSA) - within DOE and vest it with responsibility for nuclear weapons research and production. The head of this agency works for and would report directly to the Secretary of Energy.

"This agreement takes an important first step to streamline and make more accountable what has become a dysfunctional organization," said House Armed Services Committee and Conference Chairman Floyd Spence. "This legislation will provide for cleaner lines of authority and accountability to ensure that our nation's most vital nuclear secrets are properly managed and secured."

— MORE —

The House-Senate agreement would:

- Establish the National Nuclear Security Administration (NNSA) as a separately organized agency within DOE reporting directly to the Secretary of Energy.
- Ensure that the Secretary of Energy retains policy making authority for the NNSA
- Establish in law a clearly defined charter and mission statement for the new agency.
- Establish clear lines of authority of accountability from the nuclear weapons laboratories and production facilities directly to the Administrator for Nuclear Security, who would head the new agency.
- Create a statutory charter for counterintelligence and intelligence offices reporting directly to the Secretary to develop and ensure the implementation of strong and effective counterintelligence and intelligence programs within DOE.
- Have the Secretary of Energy retain the authority to ensure full compliance with all environmental, safety and health laws, regulations and requirements.
- Provide the new agency with necessary personnel authorities to create a cadre of highly qualified managers to supervise the extensive contractor base supporting the NNSA.
- Require significant improvements in the budgeting and financial management practices of the new agency.
- Require full compliance by NNSA with federal acquisition policies and regulations.
- Establish procedures for the use of the national security laboratories by outside entities to ensure the multi-mission nature of the science conducted at those labs.

#